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## More Money for Hospitals and Other COVID-19 Caregivers: Federal Provider Relief Fund Replenished and Disbursement Begins

**April 24, 2020**

by Stephen M. Cowherd and Karen P. Wackerman

### Key Takeaways:

- ***New law adds \$100 billion to the Provider Relief Fund created in the CARES Act and provides a total of \$200 billion from both laws.***
- ***HHS has begun to disburse funds from the Provider Relief Fund and additional money will be disbursed soon.***
- ***To date, Connecticut providers have received \$377,981,257 from the initial disbursed funds.***
- ***Deadline for hospitals to submit data to be eligible for \$10 billion has been extended to Sunday, April 25, 2020.***
- ***Health care facilities must submit certain information to HHS to be eligible to receive further funds.***
- ***Money from the Provider Relief Fund will also be paid to providers who cared for uninsured COVID-19 patients on or after February 4, 2020. Registration for reimbursement begins April 27, 2020.***

Today the President signed into law the Paycheck Protection Program and Health Care Enhancement (“PPHCE”) Act. Among other things, the PPHCE Act adds \$100 billion to the Public Health and Social Services Emergency Fund (the “Provider Relief Fund”) to reimburse “eligible health care providers” for COVID-19 care. The Coronavirus Aid, Relief and Economic Security (CARES) Act, which became law on March 27, 2020, included a provision allocating an initial \$100 billion to that Fund to be distributed to eligible health care providers to reimburse them for healthcare related expenses or lost revenues that are

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attributable to coronavirus.

With the passage of the PPHCE, **a total of \$200 billion** has been allocated to the Provider Relief Fund thus far. **These distributions are direct payments to providers, not loans.** “Eligible health care providers” are defined as health care providers that provide “diagnoses, testing, or care for individuals with possible or actual cases of COVID–19.”

The PPPHCE Act specifies how the **additional \$100 billion** for eligible health care providers will be spent. Of the total amount, **\$75 billion** is to be used to reimburse health care providers for health care expenses or lost revenues that are attributable to coronavirus. The remaining **\$25 billion** is to be used for COVID-19 testing, including testing for the disease and for antibodies, for research, supplies, personal protective equipment and other costs. The \$25 billion is allocated among different categories of recipients, such as states, municipalities, Indian tribes, etc.

The U.S. Department of Health and Human Services (“HHS”) announced on April 10, 2020 that it would begin distributing the first \$30 billion from the Provider Relief Fund to facilities and providers that received Medicare fee-for-service (FFS) reimbursements in 2019. Most entities have already received a portion of the \$30 billion based on their share of total Medicare FFS reimbursements in 2019. HHS reported that 4,254 providers in Connecticut have received \$377,981,257 of these funds. HHS stated in the release describing these payments that it “broadly views every patient as a possible case of COVID-19,” suggesting that most entities that received Medicare FFS payments in 2019 would likely to receive a share of the initial \$30 billion of funds as “eligible health care providers” under the CARES Act.

Subsequently, on April 22, 2020, HHS announced that it will be distributing an additional \$20 billion of Provider Relief Fund money to the same health care providers that received a share of the initial \$30 billion. Within 30 days of receiving a payment from this initial \$50 billion in funding, health care providers **must sign an attestation** confirming receipt of the funds and agreeing to the terms and conditions of payment. A portal to the online attestation can be found [here](#), and the terms and conditions can be found [here](#). Recipients should maintain certain records relating to the funds, as described in the terms and conditions.

In its April 22 release, HHS also described how the \$50 billion balance of the initial \$100 billion in Provider Relief Fund payments will be distributed:

- \$10 billion will be allocated for targeted distribution to hospitals in areas that have been most impacted by COVID-19, such as New York. Hospitals were informed by HHS that they needed to submit certain information by April 23, 2020 in order to be considered for this money. **This deadline has been extended to Saturday, April 25, 2020.**
- A portion of the funds will be distributed to **providers who cared for uninsured COVID-19 patients** on or after February 4, 2020. **These providers can register for reimbursement starting on April 27, 2020 and**

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**begin submitting claims in early May 2020.** They will be reimbursed at Medicare rates, subject to available funding. Further information on these distributions can be found [here](#).

- \$10 billion are allocated for rural providers.
- \$400 million will be allocated for Indian Health Services facilities.

HHS has also asked health care facilities to provide daily reports on hospital bed capacity and utilization as well as COVID-19 testing results from in-house labs. HHS has stated that this information will “inform” how it will make future distributions from the Provider Relief Fund. **Importantly, submitting this information is required to be eligible for receipt of additional funds but does not guarantee receipt of funds.**

For more information, please contact a Pullman & Comley Health Care attorney.

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